



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

FEB 14 2006

OFFICE OF
AIR AND RADIATION

CISD-06-03 LDV/LDT/ICI/AFV/ATV/MC/OFMC/LIMO/HDV/HDE/NR

Dear Manufacturer:

SUBJECT: Adjustment of the Motor Vehicle and Engine Compliance Program Fees for Calendar Year 2007

The Motor Vehicle and Engine Compliance Program (MVECP) Fees rule (69 Fed. Reg. 26222, May 11, 2004) provides for annual certification fees adjustment and advance notification of the same beginning with the 2006 calendar year and occurring for each calendar year thereafter. In accordance with 40 C.F.R. §85.2405(b)(3)(ii), this letter serves as EPA's advance notification of the new fees for certification requests submitted on or after January 1, 2007 through December 31, 2007. The new certification fees schedule is provided in Attachment 1 to this letter.

The new fees are calculated by inserting the appropriate values for each category into the formula set forth at 40 C.F.R. §85.2405(b)(3). The formula requires that EPA take into account changes in labor costs (multiplying the labor costs by a factor derived from changes in the Consumer Price Index (CPI)), and apply an adjustment factor that is based on the average number of certificates issued in the 2004 and 2005 model years for each fee/industry category. The CPI values for 2002 and 2005, which were obtained from the United States Department of Labor, are 180.9 and 197.6, respectively. The number of certificates for each fee/industry category for the 2004 and 2005 model years is provided in Attachment 2 to this letter. The formula also includes fixed (F) and labor (L) costs and these values are set forth at 40 C.F.R. §85.2405(b)(3)(i).

Any questions regarding the adjusted fees should be directed to your EPA certification team representative, and any questions about the process EPA has employed in arriving at the new fees should be directed to Lynn Sohacki at 734-214-4851.

Sincerely,

A handwritten signature in black ink, appearing to read "Merrylin Zaw-Mon".

Merrylin Zaw-Mon, Director
Compliance and Innovative Strategies Division
Office of Transportation and Air Quality

Attachments

Attachment 1 to CISD-06-03

Table of Fees for Calendar Year 2007

Category	Certificate Type	Fee for Calendar Year 2007
LD, excluding ICIs	Fed Certificate	\$35,354
LD, excluding ICIs	Cal-only Certificate	\$18,419
MDPV, excluding ICIs	Fed Certificate	\$35,354
MDPV, excluding ICIs	Cal-only Certificate	\$18,419
Complete HDVs, excluding ICIs	Fed Certificate	\$35,354
Complete HDVs, excluding ICIs	Cal-only Certificate	\$18,419
ICIs for the following industries: LD, MDPV, or complete HDVs	All Types	\$19,512
MC (HW), including ICIs	All Types	\$1,878
HDE (HW), including ICIs	Fed Certificate	\$36,032
HDE (HW), including ICIs	Cal-only Certificate	\$802
HDV (evap), including ICIs	Evap Certificate	\$802
NR CI engines including ICIs but excluding locomotives, marine and recreational engines	All Types	\$1,972
NR SI engines, including ICIs	All Types	\$802
Marine Engines, including ICIs	All Types regulated by 40 CFR parts 91 and 94 or Annex VI¹	\$802
All NR Recreational², including ICIs but excluding marine engines	All Types	\$802
Locomotives, including ICIs	All Types	\$802

¹ Fed and Cal-only Certificates and Annex VI are defined in 40 C.F.R. §85.2403

² Recreational means the engines subject to 40 C.F.R. Part 1051 which includes off road motorcycles, all-terrain vehicles and snowmobiles.

Attachment 2 to CISD-06-03

“F” and “L” Values and Number of Certificates for 2004 and 2005

Fee Category	“F”	“L”	2004 Certificates	2005 Certificates
LD Cert/FE	\$3,322,039	\$2,548,110	382	393
LD In-Use	\$2,858,223	\$2,184,331	362	362
LD ICI	\$344,824	\$264,980	45	31
MC HW	\$225,726	\$172,829	234	282
HD HW	\$1,106,224	\$1,625,680	95	92
NR CI	\$486,401	\$545,160	660	623
Other	\$177,425	\$548,081	1085	1178

For each category:

Certification fee (Calendar Year 2007) = $[F + L * (\text{CPI } 2005 / \text{CPI } 2002)] * 1.169 / [\text{CERT \# } 2005 + \text{Cert \# } 2004] * .5]$

The LD Fed. Certificate fee is the LD in-use and LD Cert/FE category fees added together. The LD Cal-only fee is only the LD Cert/FE category fee.

The CPI is posted on the United States Department of Labor website:

<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt>